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COMMISSION STAFF WORKING DOCUMENT

Evaluation of the Blue Belt pilot project

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1. THE CONTEXT

The Blue Belt is a concept according to which ships can operate freely within the EU internal market with a minimum of administrative burden and in which safety, security, environmental protection as well as customs and tax revenues are ensured by the best possible use of existing capabilities to monitor maritime transport. The complexity of administrative procedures was identified as one of key bottlenecks for the development of maritime transport in the context of the public consultations on the European maritime transport space without barriers¹. In order to validate the Blue Belt concept, which was proposed by the Belgian Presidency of the Council and endorsed by the Transport Council in December 2010², the Commission initiated the Blue Belt pilot project. The 2011 White Paper on Transport acknowledges that the application of the “Blue Belt” concept in the seas around Europe simplifies the formalities for ships travelling between EU ports.³

The Commission delegated to the European Maritime Safety Agency (EMSA) the task of implementing the Blue Belt pilot project using the monitoring capabilities of the SafeSeaNet system. The project had to demonstrate to national authorities, starting with Customs authorities, which services SafeSeaNet can offer to support their mission, with a view to reducing administrative burden for maritime transport.

The pilot project unfolded through three subsequent phases:

- A definition and planning phase, involving the related Commission services, EMSA, national customs authorities, EU ports and the shipping industry
- An operational phase which started on 2 May 2011 and finished formally on 2 November 2011
- An evaluation phase from December 2011 until February 2012

All ports in the Member States and 253 vessels, proposed by the shipping industry, participated in the pilot project. A Member States Correspondence Group (CG) and an Industry Advisory Group (AG) were established by EMSA to provide guidance and advise throughout the pilot project.

During the operational phase the participating ships were monitored. Information on their actual routes and the last ports visited were transmitted to the national customs authorities prior to the ship's arrival in their port. It should be noted that, even though the operational phase formally finished on 30 November 2011, the Commission requested EMSA to continue the service offered to the national customs authorities after this date.

The evaluation of the pilot project has been carried out by EMSA, in cooperation with the related Commission services, national customs administrations, the shipping and port industries. In the context of the Blue Belt evaluation, a legal gap analysis was provided, which the Commission could use to further analyse the situation.

The purpose of this Staff Working Paper is to present the main findings of the evaluation and to serve as a basis for discussions on next steps to be taken to introduce further facilitation for intra-EU shipping.

¹ COM(2009) 10 final

² 16266/10 of the Council of the European Union of 19 November 2010

³ COM(2011) 144 final White Paper - Roadmap to a Single European Transport Area - Towards a competitive and resource efficient transport system

2. BACKGROUND

European Union ports, like airports, are considered as the EU external borders and vessels travelling between EU ports are deemed to have left the EU Customs Territory. As a result, customs clearance is required when the vessel leaves the port of departure and again when the vessel arrives at the port of destination.

These procedures involve costs and delays that can make maritime transport a less attractive option for the transport of Union goods in the EU internal market. The reduction of such costs as well as the simplification of administrative procedures has been considered as a major objective for promoting the greater use of short sea shipping and seaborne trade between EU ports. To reduce checking of cargo that would not be checked if transported overland, would allow authorities to focus on higher risk areas.

These objectives were recognised already when preparing the customs legislation for the Internal Market, followed in 1998 with the introduction of the concept of ‘authorised regular shipping service’ (RSS)⁴. Vessels authorised for such regular shipping service were considered as performing intra-EU trade and the goods they carried were deemed to be Union goods, unless established to the contrary. However, the procedure to obtain such authorisation was lengthy and did not account for necessary flexibility or adjustment with regards to either routes or vessels.

Although this and other simplifications regarding customs procedures for maritime transport were already in place, vessels travelling to and from EU ports could still encounter complicated procedures.

2.1. The European Maritime Transport Space without Barriers

In 2009, the European Commission adopted a Communication and an action plan to establish a European Maritime Transport Space Without Barriers⁵ aiming to harmonise and simplify administrative procedures for intra-EU maritime transport. The action plan contains short- and medium-term measures and recommendations to the Member States. The Communication spelt out the simplification of customs formalities for vessels sailing only between the EU ports as well as harmonisation and simplification of documents flow as key measures to extend the Internal Market to maritime transport.

In the context of the implementation of this action plan, the Commission adopted Regulation (EU) No 177/2010⁶, the relevant provisions of which have applied from 1 January 2012, improved the procedures for RSS to facilitate intra - EU shipping. The authorisation for establishing regular shipping services can be obtained within maximum 45 days. Vessels and the specific ports to be visited shall be registered within 1 working day from notification. This new scheme further facilitates intra-EU shipping with speedier registration and flexibility in the operation of regular shipping services under which customs controls for EU goods are no longer performed. However, as the scheme entered into force on 1 January 2012, it is difficult to assess yet the extent to which Short Sea Shipping operators have applied for the RSS status.

⁴ Art. 313a and 313b of the Commission Regulation 2454/93 of 2 July 1993 laying down provisions for the implementation of the EU Customs Code

⁵ COM (2009)10 of 21 January 2009

⁶ Commission Regulation (EU) No 177/2010 of 2 March 2010 amending Regulation (EEC) No 2454/93 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code; OJ L52 of 3.3.2010

Also, it needs to be further analysed whether additional simplification (such as for example streamlining and simplification of the consultation procedure between national customs authorities for the authorisation) should be considered.

Furthermore, Directive 2010/65/EU⁷ of the European Parliament and of the Council on reporting formalities for ships arriving in and/or departing from ports of the Member States and repealing Directive 2002/6/EC was adopted on 20 October 2010. This directive requires Member States to establish national single window services by 1 June 2015 for receiving the ship port call notifications. As the information is to be shared between the relevant authorities, such as customs and border control, it will need to be submitted only once. In addition, while developing the new single window services, simplification of processes, such as introducing an electronic cargo manifest, is looked at. The coordination of Member States activities to implement the reporting formalities directive 2010/65/EU is under way.

2.2. The Transport Policy White Paper

The 2011 White Paper⁸ outlines transport policy with a time horizon of 2050 and proposes concrete actions to improve mobility and sustainability of European transport systems. It calls for 'the creation of a Single European Transport Area with more competition and a fully integrated transport network which links the different modes and allows for a profound shift in transport patterns for passengers and freight.'

Moreover, it also points out the need for improved efficiency of transport and infrastructure through the use of traffic management and information systems, advanced logistic and market measures as well as abolition of barriers to short sea shipping.

In this context, the White Paper calls for the establishment of a Blue Belt space in Europe, to bring about real free and unhindered maritime movement in and around Europe.

In addition, a reduction of administrative burdens and costs for intra-EU maritime transport is very important for the effective development of the Motorways of the sea and an extension of the key logistics chains between Member States.

3. MAIN FINDINGS OF THE EVALUATION

The outcomes of the Blue Belt pilot project were evaluated by the Member States' customs administrations, the shipping industry and ports' authorities.

Data was collected through questionnaires prepared by EMSA, in cooperation with the Commission related services, the Member States customs administrations and the shipping industry. The shipping industry (European Community Shipowners' Association ECSA and World Shipping Council WSC) also sent their own questionnaires to their members that participated in the project and similarly European Sea Ports Organisation (ESPO) to ports' authorities.

During the period covered by the evaluation there were 26,000 calls from 253 participating ships at ports. Out of these around 1,200 calls were by 53 ships authorised as RSS.

⁷ OJ L283 of 29.10.2010

⁸ COM(2011) 144 final

The following summary of the evaluation is based on a report prepared by EMSA⁹.

3.1. Member States' Customs Administrations

As the ultimate users of the service offered by the project, national Customs administrations evaluated the technical and operational aspects of the project through questionnaires.

In the context of the technical evaluation, indicators were developed to assess mainly the timeliness of the reports delivered and the accuracy and completeness of the information contained in them. The operational evaluation aimed to assess how the service provided by the project has been used and also its perceived possible development and future utilisation. Within these parameters, the usefulness of the data for customs procedures was assessed and the extent to which it has helped to improve efficiency and give reassurances about a ship's voyage.

As concerns the response rate to both evaluations it should be noted that 21 Member States out of the 22 participating ones responded to the questionnaire.

The main findings of the evaluations were:

Technical Evaluation

According to the participating Member States, the Blue Belt pilot project had successfully delivered timely, accurate and complete information to the customs authorities with very few minor technical problems. The project demonstrated that it can provide the authorities with useful information related to the vessel and its voyage, including customs relevant information¹⁰. It should be noted that an attachment with the nautical chart which showed the plot of the ship's voyage, was also enclosed in the report. Consequently, by providing a complete voyage track the project showed that the vessel's voyage could be monitored by relevant authorities, including customs.

Additionally, as of November 2011 vessel positioning information coming from satellite Automatic Identification System (AIS) for voyages outside coastal AIS coverage was also included in the reports. As from February 2012, information on 'unusual' vessel behaviour was also added, after discussions and agreement with customs authorities in the context of the Member States Correspondence Group on what type of indicators were needed¹¹.

Operational Evaluation

Almost all customs authorities who responded used the Blue Belt notification reports regularly and found that they provided additional data or helped to confirm existing information about the vessels. Also, it was acknowledged that the reports provided a consolidated version of information needed by the customs authorities, which previously had to be retrieved from different sources.

This information was used primarily to carry out risk assessments and to compare it with information already provided by agents or data received through national systems.

⁹ <http://www.emsa.europa.eu/operations/maritime-surveillance/safeseanet/113/1463.html>

¹⁰ Such as for example, information if the shipping company has the status of Authorised Economic Operator, Regular Shipping Services provider etc.

¹¹ Such as for example, prolonged switching off AIS transmitters, or stopping/slowing down below 3kts of speed outside port areas which could indicate meeting with another vessel

As concerns the RSS participating ships, the information was also used to carry out risk assessments as per their conformity to their predefined routes since the report provided monitoring information on the ships' actual itinerary. The national authorities used the reports to update their RSS lists.

Noteworthy is the fact that the information provided via the project was deemed beneficial and used for other purposes than purely customs revenue related and also by other administrations than customs. In some Member States the information provided in the reports assisted customs officials involved in law enforcement to identify smuggling operations and in some cases the information was shared with other authorities (e.g. immigration services) to coordinate joint inspections of vessels.

To conclude, the respondent customs authorities gave suggestions on the improvement of the service provided via the pilot project so as to facilitate its use and functionality and also to provide the possibility for a more complete and reliable risk assessment. These included:

- The integration of the report into existing databases/information systems
- The provision of additional information on vessel voyage such as third country calls and on cargo.
- The inclusion of all vessels plying solely between EU ports.

3.2. Shipping Industry

The ship owners associations (ECSA and WSC) collected monthly feedback from their participating members.

Members of the shipping industry participating in the project noted that customs formalities for the participating ships were applied as usual since no derogation to existing Customs laws has been granted to the vessels participating to the pilot project. They also reported a certain lack of awareness of Blue Belt at port customs level despite the involvement of the national customs authorities at central level and the relative exposure at EU level.

In their evaluation, the representatives of the shipping industry observed that the Blue Belt pilot project monitoring provided to the customs authorities the capability to verify the movements of vessels and of the cargo carried by those vessels. According to the participating companies, this information should offer the confidence needed to further simplify customs formalities for maritime transport, especially for intra-EU trade.

3.3. Ports authorities

ESPO collected and reviewed data from some selected ports that most frequently handle vessels engaged in intra-EU trade. They reported that customs administration representatives in ports were not adequately informed on the Blue Belt project and lacked awareness on it, although that was rectified to some extent at the later stages of its implementation.

Port authorities also appreciated the fact that Blue Belt provided the opportunity for communication between the customs administrations, the port and shipping representatives (similar to national customs administrations' assessment). Furthermore, it was also noted that simplification in customs and other formalities would in turn allow the improvement of the efficiency of port procedures.

4. POSSIBLE FOLLOW-UP ACTIONS

The Commission services will work to further improve and employ more widely the tool developed during the Blue Belt pilot project and to analyse if further facilitations to vessels circulating in the EU can be introduced in order to facilitate maritime transport. To this respect, a number of further actions can be considered:

4.1. **Extend the tool developed during the Pilot Project to all "Blue Ships"**

The Blue Belt pilot project has proved that it can offer the required assurance as to the vessel behaviour, which was lacking before: the tracking of a vessel's voyage and the knowledge as to its whereabouts and possible 'unusual' behaviour.

The Commission services will assess the impacts of extending the monitoring and reporting on vessel movements to first cover all ships plying within the EU, which would be declared as involved in pure intra-EU trade ("Blue Ships"), and later to all ships calling at EU ports. Constant and reliable monitoring of a ship on its route from one EU port to another offers the basis for the assurance as to the movement of cargo carried on it. It should thus allow for the presumption that goods with EU customs status carried on Blue Ships have an EU place of departure and EU place of destination and can be therefore treated similarly to goods carried by other transport modes within the EU.

4.2. **Extend the benefit of the tool to other user authorities**

The Blue Belt pilot project could, where appropriate be further extended to facilitate other administrative procedures, such as border control, veterinary and phytosanitary procedures, obligations in the field of waste management, air pollution, safety, security and health, taking into account relevant legislation. In this regard, the Commission will use the future revision of Directive 2002/59/EC establishing a Community vessel traffic monitoring and information system, and the related Impact Assessment, to consider opening up SafeSeaNet to other user communities and use it as a common platform to implement existing or proposed EU control requirements and policies, pertinent to their own missions. Account will also be taken of existing and operating IT systems. This is in line with the guiding principles (such as for example cost-effectiveness) towards establishing a Common Information Sharing Environment (CISE) for the surveillance of the maritime domain under the Integrated Maritime Policy of the EU¹².

Such an opening would enable sharing of information provided by the Blue Belt pilot project with other national authorities with an interest in the maritime activities within their mission, such as for example the port authorities. This has the potential of simplifying procedures and increasing cost-effectiveness for both maritime transport providers and public authorities.

4.3. **Combine the tool with other information systems notably information lodged in the single window available through the Directive 2010/65/EU**

According to the recently adopted Directive 2010/65/EU provision of information through national single window by ships calling in EU ports as well as sharing of the relevant parts of information between Member States have to be functional at the latest on 1st June 2015. The information available, notably the one related to cargo, could be used to refine the message provided electronically to authorities in ports, if the interoperability between the different information systems allows for a combined

¹² COM(2009)538 and COM(2010)584 final

exploitation of the data. This possibility shall be assessed in cooperation with EMSA and the operators of the relevant information systems. In this context, synergies with the on-going eFreight initiative should also be considered.

4.4. Develop more automatic formalities for intra-EU shipping in order to reduce administrative burdens

The tool developed in the context of the pilot project can provide real time information allowing relevant authorities to carry out quick risk analysis. It offers new possibilities, which can contribute to shorten the deadlines imposed by the legislation for the lodging of administrative procedures and to harmonise the timeframes set up by the different legislations that apply to ships calling in EU ports. The Commission services intend to assess this accordingly when reviewing applicable legislation. Stakeholders would also be consulted.

4.5. Explore the possibility to extend the tool to vessels calling in non-EU ports

In line with the action plan for a European Maritime Space without Barriers, the inclusion of vessels calling in third country ports will be analysed while at the same time assessment could be made what further facilitations or simplifications could be offered to those vessels.

5. CONCLUSION

The Blue Belt pilot project showed that modern technologies can be used to help national administration to undertake their tasks in a more efficient manner while reducing administrative burdens for shipping operators. The Commission services will examine how to further develop the service offered now at small scale in the Blue Belt pilot project into a broader consistent concept and to further simplify administrative procedures for short sea shipping.

In order to carry out this task, the Commission services will continue to involve relevant stakeholders and authorities. In particular, it will work with the different national administration in charge of procedures in ports to assess their needs and will then analyse how to design an approach best suitable for all the actors of maritime transport.

In the context of the mid-term review of the Communication on Maritime Transport Space Without Barriers planned for 2013 the Commission services will report, assess and propose suitable initiatives to allow for Blue Belt pilot project to evolve into a sustainable service which will enable further administrative facilitations and the emergence of a true Blue Belt for seaborne EU trade.